HOUSE JOINT RESOLUTION No. 4

DIGEST OF INTRODUCED RESOLUTION

Citations Affected: Article 10 of the Indiana Constitution.

Synopsis: Government spending limitation. Provides that an Indiana governmental entity's expenditures may not increase from one fiscal year to the next fiscal year by more than a growth factor based on Indiana personal income. Authorizes the governor to suspend by executive order this limitation for a governmental entity in case of an emergency. This proposed amendment has not been previously agreed to by a general assembly.

Effective: This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

Murphy

January 12, 2009, read first time and referred to Committee on Rules and Legislative Procedures.

Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE JOINT RESOLUTION No. 4

A JOINT RESOLUTION proposing an amendment to Article 10 of the Indiana Constitution concerning state and local administration.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Sixteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 10 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A **NEW** SECTION TO READ AS FOLLOWS: **Section 9. (a) As used in this section, "emergency" means an extraordinary event or occurrence that:**

(1) could not have been reasonably foreseen or prevented; and

(2) requires immediate expenditures of public funds to preserve the health, safety, or general welfare of the people.

(b) As used in this section, "expenditure growth factor" refers to the percentage change, expressed to three decimal places, in

personal income in Indiana between the most recent year that personal income is determined for Indiana and the second most recent year that personal income is determined for Indiana. The expenditure growth factor may be a negative number.

(c) As used in this section, "expenditures" refers to the total amount of money spent by a governmental entity during the governmental entity's fiscal year. The term does not include any of the following:

(1) Money received from the federal government.

(2) Money spent from permanent endowments, trust funds, or pension funds.

(3) Money received as a gift by the governmental entity.

(4) Money paid for:

(A) tax relief;

(B) refund of taxes; or

(C) a lawful refund of other money received by a governmental entity.

(d) As used in this section, "fiscal year" means any accounting period consisting of twelve consecutive months.

(e) As used in this section, "governmental entity" refers to any of the following:

(1) The state.

(2) A county.

(3) A township.

(4) A city.

(5) A town.

(6) A school corporation.

(7) Any other entity created by Indiana law that has authority under Indiana law to impose a tax.

(f) As used in this section, "personal income" refers to the annual personal income in Indiana as determined by the federal government. The General Assembly shall designate by law the source of the data to determine Indiana personal income under this subsection.

(g) Except as provided in subsection (h), a governmental entity's expenditures for the governmental entity's fiscal year may not be greater than the amount determined in STEP FOUR of the following formula:

STEP ONE: Determine the amount of the governmental entity's expenditures during the governmental entity's previous fiscal year. Expenditures permitted under subsection (h) for the governmental entity's previous fiscal year may not be included for purposes of this STEP.

STEP TWO: Determine the expenditure growth factor.

STEP THREE: Add one to the amount determined in STEP TWO.

STEP FOUR: Multiply the amount determined in STEP ONE by the amount determined in STEP THREE.

(h) Notwithstanding subsection (g), the Governor may, by executive order, suspend the limitation in subsection (g) for a governmental entity. An executive order issued under this subsection must do the following:

(1) Declare the existence of an emergency.

(2) Describe the nature of the emergency.

(3) Identify the governmental entities to which the executive order applies.

(4) For each governmental entity identified, state the amount the governmental entity is authorized to spend to meet the emergency.

(i) An executive order issued under subsection (h) for a governmental entity expires at the beginning of the fiscal year that follows the fiscal year to which the executive order applies. However, the Governor may issue a new executive order under subsection (h) to cover a governmental entity for a succeeding fiscal year.